

# MARICOPA COUNTY BOARD OF HEALTH MEETING MINUTES

## Finance Committee

Monday, January 25, 2016

301 W. Jefferson Street, 10<sup>th</sup> Floor

Phoenix, Arizona 85003

Board of Supervisors Conference Room

Meeting was called to order at 2:28 p.m.

### ROLL CALL:

#### Members Present:

Don Cassano

Nedra Halley

Kip Steill

#### Members Absent:

Francisca Montoya

### ACTION ITEMS:

#### 1. Approval of BOH Finance Committee Minutes August 17, 2015:

Vice President Steill asked for a motion to approve the minutes from the BOH Finance Committee Meeting held on October 26m, 2015. Motion was made by Mr. Don Cassano to approve the BOH minutes as presented. Motion was seconded Ms. Nedra Halley and the motion passed unanimously.

### DISCUSSION ITEMS:

#### 1. Public Health Finance Report

Mr. Scot Pitcairn

Through the end of December, Public Health has spent 47.3% of the General Fund allocation. Spending year to date is below budget year to date by \$672,626. OMB imposed more vacancy savings in our current FY16 General Fund budget appropriation, but to date, we have generated \$364,417 in vacancy savings. Public Health was one of several departments that submitted Zero Based Budgeting (ZBB) for FY17. The report was submitted January 8<sup>th</sup> and was a level budget in the General and Fee fund. Dr. England and Max Porter met with the BOS chiefs of staff last week to explain targeted funding increases and potential overall cost savings. In the final meeting of last fiscal year, we noted that County management is still addressing the effects of the 1978 voter-approved spending limitation cap. This has not been as significant a concern of County management this year, but rather the focus is the amount of County general revenue collections.

At the end of the first quarter, 46.0% of the Grant Fund budget has been expended. Of the net positive expenditure variance of \$1.35 million, \$2,034,288 is in personnel and a negative \$687,894 is in operations. The largest operating overages are in medical supplies & contractual services. This is due in part to grant year-end spending for grants that end in September and December. Grant revenues as of the end of the first quarter are showing as \$6.9 million short of budgeted expenditures. Most of this negative variance, \$6.7 million, results from deferred revenue adjustment from August made by downtown Finance. The department lost several First Things First grants this year as the grantor is experiencing a reduction in tobacco tax revenue as well as changing priorities. Three smaller grants have consolidated into one large grant for the Oral Health program. The SNAP-Ed/Nutrition grant was reduced by nearly \$800,000. The US Health & Human Services/HRSA led us to believe that we would lose the Healthcare for the Homeless grant due to County's publically elected Board. We recently informed that this will not happen and we will retain the program.

We have spent 44.8% of our expenditure budget as of the end of second quarter in the Special Revenue fund. Compared to budget year to date, expenditures are under budget by \$203,593. The program most underspent is Vital Registration. Even with the \$270K of one-time expenditures for the Vitals' East Valley office, the fund is structurally balanced revenue to expenditures. Object 635 revenues are for our Vital Registration Office, and show a negative variance of \$79,898. With the closure of the State's vital registration counter last year, we have been expecting revenues to increase annually by \$1 million, but this increase has not been fully realized to date.

## **2. Environmental Services Finance Report**

**Ms. Diane Cabanillas**

Agency 880 (County General Fund) is reporting revenues 2.59% under the year to date or \$312. The decrease in revenue is attributed to a decrease in payoff amounts received from assessment statements, liens and restitution of citation cases. Currently, there is one assessment lien outstanding in the amount of \$452 for a bee complaint. Agency 880 (County General Fund) is reporting expenditures 5.21% under year to date or \$113,297. The amount is attributed to a Personnel variance of \$74,167, Supplies & Services of \$204,998 and a Capital Expenditure variance of \$17,533. The Personnel variance was due to overtime of Vector Control employees during the summer months. The Supplies & Services variance was due to pesticides, chemicals, and lab supplies. The Capital Expenditure variance is attributed to a Vector Control Lab Tissuelyser that was purchased and a 10K IT allocation of an OS/Windows upgrade.

Agency 881 (County Grant Fund) is reporting revenues 100% under the year to date and expenditures 60.89% or \$13,640 under year to date. Agency 881 is a grant from the FDA. Environmental Services was awarded the grant on 9/10/2015 in the amount of \$67,198 for FY16. The grant was approved by the BOS on 10/21/2015. The grant will serve is assessing foodborne illness risk factors in Maricopa County and also provide permitted food operations with education strategies to reduce the occurrence of foodborne illness risk factors. The variance in expenditures is mostly due to personnel.

Agency 883 (Environmental Fee Fund) is reporting revenues 4.50% over year to date and expenditures 6.59% under year to date. Agency 883 is funded by permit, fee, and fine revenues. Agency revenue reported 4.50% over year to date, or \$196,166. This is attributed to increased restaurant business due to winter visitors. Agency expenditures was 6.59% or \$679,946 under YTD budget. This variance is made up of Personnel variance of \$138,843, Supplies variance of \$402,682, and Capital Expenditures variance of \$138,421. The positive Personnel variance is due to high vacancy rate for Registered Sanitarians. The positive variance for Supplies & Services is primarily attributed to pay increases that did not come to fruition. The positive variance for Capital Expenditures is attributed to five vehicles that have been budgeted, but Environmental Services is considering purchasing vehicles from Air Quality, as they are attempting to reduce their fleet. There is a net gain of \$16,054.

## **Adjournment**

There being no further business, motion was made by Mr. Don Cassano to adjourn the meeting. The motion was seconded by Ms. Nedra Halley and the motion passed unanimously. Mr. Steill adjourned the Finance meeting at 2:45 p.m.